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BOF REGULAR MEETING 4-4-23 BUDGET DELIBERATIONS
Apr 4, 2023, 7:00 – 9:30 PM (America/New York)

2023 MAR 31 A 9 28

HEBRON TOWN CLERK

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**TOWN OF HEBRON
BOARD OF FINANCE
REGULAR MEETING**

Tuesday, April 4th, 2023

7:00 P.M.

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

- a. This section of the agenda is reserved for persons in attendance who wish to briefly address the Board of Finance. The Board requests that the comments be limited to three minutes or less. Persons wishing to address the Board regarding agenda items should request clarification from the Chair as to whether or not they should speak during the public comment portion of the meeting or at the time the agenda item is considered. Persons wishing to comment should type “comment” and your name in the chat box and you will be recognized.

4. NEW BUSINESS:

- a. 2023-2024 Revenue review
b. 2023-2024 Budget Deliberations
c. Other New Business

5. ADJOURNMENT

**TOWN OF HEBRON
BOARD OF SELECTMEN 2023-2024 PROPOSED BUDGET
MARCH 28, 2023**

Per Section 902 E of the Hebron Town Charter, the Board of Selectmen recommends a budget for 2023-2024 which totals \$40,565,203. This is an increase of 9.43 percent over last year's adopted budget of \$37,067,920 and represents a total dollar increase of \$3,497,283.

	ADOPTED Expenditures 2022-2023	PRESENTED Expenditures 2023-2024	Difference	Percent Change
Total Town Budget				
Town Government	\$ 8,600,194	\$ 9,095,755	\$ 495,561	5.76%
Contr. to Capital Improvement	587,485	733,017	145,532	24.77%
Contr. to Open Space Acq.	125,000	25,000	(100,000)	-80.00%
Contr. to Capital Projects	156,796	230,187	73,391	46.81%
Contr. to Revaluation	40,000	40,000	-	0.00%
Debt Service	1,092,124	1,105,594	13,470	1.23%
TOWN GOV'T SUB TOTAL	10,601,699	11,229,553	627,954	5.92%
Hebron Board of Education	12,207,294	13,946,568	1,739,274	14.25%
RHAM Assess(w/o debt)	13,751,071	15,127,331	1,376,260	10.01%
RHAM Debt Service	507,956	261,751	(246,205)	-48.47%
Total General Government	\$ 37,067,920	\$ 40,565,203	\$ 3,497,283	9.43%

The recommended revenue budget is as follows:

	ADOPTED 2022-2023	PRESENTED 2023-2024	Difference	Percent Change
General Government	\$ 786,600	\$ 892,661	\$ 106,061	13.48%
Other State Revenues	400,082	419,447	19,365	4.84%
ECS & Special Ed Grant Funding	5,997,693	5,713,831	(283,862)	-4.73%
Unassigned/Debt Mgmt Contribution	\$ 642,000	\$ 862,000	220,000	34.27%
Back Taxes / Lien Fees	425,000	400,000	(25,000)	-5.88%
Tax Revenue	28,816,545	32,277,264	3,460,719	12.01%
	\$ 37,067,920	\$ 40,565,203	\$ 3,497,283	9.43%

The total amount needed to be raised by taxes is \$32,277,264 which is an INCREASE of \$3,460,719.

This would result in a mill rate calculated utilizing the following factors:

	GRAND LIST REAL ESTATE/ PERSONAL PROPERTY	GRAND LIST MOTOR VEHICLE
Grand List - October 1, 2022	\$ 825,738,361	\$ 111,639,720
Less BAA adjustments	\$ (165,570)	\$ (521,165)
Reductions to grand list		
Adjusted Grand List - October 1, 2022	\$ 825,572,791	\$ 111,118,555
Mill Value	\$ 825,573	\$ 111,119
<u>Mill Value (based upon 98.50% collection rate)</u>	<u>\$ 813,189</u>	<u>\$ 109,452</u>
Mill Rate (per proposed budget)	35.32	32.46



Governor's Proposed FY 24 State Budget

Municipal Aid for: Hebron

	Est. FY 23	Gov. Prop. FY 24	\$ Change	% Change
Adult Education	0	0	0	
ECS	5,997,693	5,713,831	(283,862)	-4.7%
LoCIP	68,830	68,830	0	0.0%
Pequot-Mohegan	3,350	3,350	0	0.0%
PILOT	15,924	15,847	(78)	-0.5%
Town Aid Road	237,158	237,158	0	0.0%
Municipal Grants-in-Aid	2,216	2,216	0	0.0%
Motor Vehicle Reimbursement	364,147	0	(364,147)	-100.0%
Municipal Revenue Sharing	0	0	0	
Municipal Stabilization	125,020	0	(125,020)	-100.0%
Supplemental Revenue Sharing	0	125,020		
TOTAL	6,814,338	6,166,251	(648,087)	-9.5%

Town of Hebron

General Ledger - On Demand Report

Fiscal Year: 2022-2023

From Date: 7/1/2022 To Date: 3/31/2023

Account Mask: 0012??????????????

Account Type: All

Print accounts with zero balance

Include Inactive Accounts

Filter Encumbrance Detail by Date Range

Print Detail

Include PreEncumbrance

Budget Balance

Account Number / Description Budget Range To Date YTD Balance Encumbrance % Remaining Budget

001.2.0001.100.1000.0000 (\$28,765,545.00) (\$28,667,951.22) (\$28,667,951.22) (\$97,593.78) \$0.00 (\$97,593.78) 0.34%

CURRENT GRAND LIST COLLECTIONS

001.2.0001.100.1000.1000 \$0.00 \$21,833.53 \$21,833.53 (\$21,833.53) \$0.00 (\$21,833.53) 0.00%

EX-CURRENT GRAND LIST COLLECTION

001.2.0001.100.5000.0000 (\$425,000.00) (\$334,157.79) (\$334,157.79) (\$90,842.21) \$0.00 (\$90,842.21) 21.37%

BACK TAXES COLLECTION

001.2.0001.100.5000.1000 \$0.00 \$12,728.15 \$12,728.15 (\$12,728.15) \$0.00 (\$12,728.15) 0.00%

EX-BACK TAXES COLLECTIONS

001.2.0001.105.1001.0000 \$0.00 (\$181,336.39) (\$181,336.39) \$181,336.39 \$0.00 \$181,336.39 0.00%

DELINQUENT INTEREST

001.2.0001.110.1001.0000 \$0.00 (\$1,385.23) (\$1,385.23) \$1,385.23 \$0.00 \$1,385.23 0.00%

LIENS/WARRANTS/FEEES

001.2.0001.110.1002.0000 \$0.00 (\$15.00) (\$15.00) \$15.00 \$0.00 \$15.00 0.00%

MV \$5.00

001.2.0001.130.0100.0000 \$0.00 (\$25.00) (\$25.00) \$25.00 \$0.00 \$25.00 0.00%

RETURNED CHECK FEES

001.2.0002.200.0001.0000 (\$5,997,693.00) (\$2,998,846.00) (\$2,998,846.00) (\$2,998,847.00) \$0.00 (\$2,998,847.00) 50.00%

EDUCATION EQUALIZATION

001.2.0002.200.0100.0000 (\$1,100.00) \$0.00 \$0.00 (\$1,100.00) \$0.00 (\$1,100.00) 100.00%

MISC STATE GRANTS

001.2.0002.201.0001.0000 (\$7,647.00) (\$15,924.40) (\$15,924.40) \$8,277.40 \$0.00 \$8,277.40 -108.24%

PILOT-STATE PROPERTY

001.2.0002.201.0005.0000 (\$534.00) (\$427.66) (\$427.66) (\$106.34) \$0.00 (\$106.34) 19.91%

DISABILITY GRANT

001.2.0002.201.0007.0000 (\$2,896.00) (\$1,902.00) (\$1,902.00) (\$994.00) \$0.00 (\$994.00) 34.32%

PROPERTY TAX RELIEF GRANT

Town of Hebron

General Ledger - On Demand Report

Fiscal Year: 2022-2023

From Date: 7/1/2022 To Date: 3/31/2023

Account Mask: 0012??????????????

Account Type: All

Print accounts with zero balance
 Include Inactive Accounts
 Filter Encumbrance Detail by Date Range
 Print Detail
 Include PreEncumbrance Budget Balance

Account Number / Description	Budget	Range To Date	YTD	Balance	Encumbrance	% Remaining Bud
001.2.0002.201.0009.0000 PEQUOT GRANT	(\$3,350.00)	\$0.00	\$0.00	(\$3,350.00)	\$0.00	100.00%
001.2.0002.201.0011.0000 SURPLUS REVENUE SHARING	\$0.00	(\$201,506.87)	(\$201,506.87)	\$201,506.87	\$0.00	0.00%
001.2.0002.201.0014.0000 MUNI STABILIZATION GRANT	(\$125,020.00)	(\$125,020.00)	(\$125,020.00)	\$0.00	\$0.00	0.00%
001.2.0002.201.0015.0000 MRSF MOTOR VEHICLE	\$0.00	(\$364,147.00)	(\$364,147.00)	\$364,147.00	\$0.00	0.00%
001.2.0002.202.0001.0000 TOWN AID ROADS	(\$240,935.00)	(\$237,157.65)	(\$237,157.65)	(\$3,777.35)	\$0.00	1.57%
001.2.0002.202.0004.0000 CIVIL PREPAREDNESS	(\$4,600.00)	\$0.00	\$0.00	(\$4,600.00)	\$0.00	100.00%
001.2.0002.202.0008.0000 TELECOMMUNICATIONS PERS PROP TAX	(\$14,000.00)	\$0.00	\$0.00	(\$14,000.00)	\$0.00	100.00%
001.2.0003.300.0010.0000 XEROX	(\$600.00)	(\$160.00)	(\$160.00)	(\$440.00)	\$0.00	73.33%
001.2.0003.300.0015.0000 PLOTTER/COPIER FEES	(\$400.00)	(\$166.00)	(\$166.00)	(\$234.00)	\$0.00	58.50%
001.2.0003.300.0020.0000 NOTARY FEES	(\$1,300.00)	(\$1,110.00)	(\$1,110.00)	(\$190.00)	\$0.00	14.62%
001.2.0003.301.0010.0000 TOWN CLERK FEES	(\$19,000.00)	(\$13,951.00)	(\$13,951.00)	(\$5,049.00)	\$0.00	26.57%
001.2.0003.301.0020.0000 CONVEYANCE FEES	(\$99,000.00)	(\$95,251.71)	(\$95,251.71)	(\$3,748.29)	\$0.00	3.79%
001.2.0003.301.0030.0000 RECORDING FEES	(\$60,000.00)	(\$27,093.50)	(\$27,093.50)	(\$32,906.50)	\$0.00	54.84%
001.2.0003.301.0033.0000 FARMLAND PRESERVATION	\$0.00	(\$25,812.00)	(\$25,812.00)	\$25,812.00	\$0.00	0.00%

Town of Hebron

General Ledger - On Demand Report

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To Date: 3/31/2023

Account Mask: 0012????????????????

Account Type: All

Print accounts with zero balance

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Include PreEncumbrance

Account Number / Description	Budget	Range To Date	YTD	Balance	Encumbrance	% Remaining Bud
001.2.0003.301.0033.1000 EX-FARMLAND PRESERVATION	\$0.00	\$23,544.00	\$23,544.00	(\$23,544.00)	\$0.00	0.00%
001.2.0003.301.0035.0000 RECORDS PRESERVATION	\$0.00	(\$6,174.00)	(\$6,174.00)	\$6,174.00	\$0.00	0.00%
001.2.0003.301.0035.1000 EX-RECORDS PRESERVATION	\$0.00	\$5,232.00	\$5,232.00	(\$5,232.00)	\$0.00	0.00%
001.2.0003.301.0038.0000 TOWN CLERK MERS MTG REV	\$0.00	(\$17,732.00)	(\$17,732.00)	\$17,732.00	\$0.00	0.00%
001.2.0003.301.0038.1000 EX-TOWN CLERK MERS MTG FEES	\$0.00	\$15,980.00	\$15,980.00	(\$15,980.00)	\$0.00	0.00%
001.2.0003.301.0040.0000 SPORTSMEN LICENSES	(\$1,000.00)	(\$582.00)	(\$582.00)	(\$418.00)	\$0.00	41.80%
001.2.0003.301.0040.1000 EX-SPORTSMEN LICENSES	\$0.00	\$599.00	\$599.00	(\$599.00)	\$0.00	0.00%
001.2.0003.301.0050.0000 MARRIAGE LICENSES	\$0.00	(\$748.00)	(\$748.00)	\$748.00	\$0.00	0.00%
001.2.0003.301.0050.1000 EX-MARRIAGE LICENSES	\$0.00	\$714.00	\$714.00	(\$714.00)	\$0.00	0.00%
001.2.0003.301.0060.0000 PA 228 CIP FUNDING	(\$3,000.00)	(\$2,151.00)	(\$2,151.00)	(\$849.00)	\$0.00	28.30%
001.2.0003.302.0010.0000 BUILDING DEPARTMENT	(\$130,000.00)	(\$121,666.25)	(\$121,666.25)	(\$8,333.75)	\$0.00	6.41%
001.2.0003.302.0010.1000 EX-BLDG DEPT REVENUE	\$0.00	\$3,387.29	\$3,387.29	(\$3,387.29)	\$0.00	0.00%
001.2.0003.302.0011.0000 EDUCATION FEE-BLDG DEPT	\$0.00	(\$2,542.28)	(\$2,542.28)	\$2,542.28	\$0.00	0.00%
001.2.0003.302.0050.0000 PT SOFTWARE PERMIT FEES	(\$6,500.00)	(\$4,570.00)	(\$4,570.00)	(\$1,930.00)	\$0.00	29.69%

Town of Hebron

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To Date: 3/31/2023

Account Mask: 0012????????????????

Account Type: All

Print Detail

Filter Encumbrance Detail by Date Range

Include PreEncumbrance

Print accounts with zero balance

Include Inactive Accounts

Filter Encumbrance Detail by Date Range

Include PreEncumbrance

Account Number / Description	Budget	Range To Date	YTD	Balance	Encumbrance	% Remaining	Bud
001.2.0003.304.0030.0000 COMPACTOR/RECYCLING	(\$71,000.00)	(\$52,046.68)	(\$52,046.68)	(\$18,953.32)	\$0.00	(\$18,953.32)	26.69%
001.2.0003.305.0011.0000 BLASTING PERMITS	\$0.00	(\$60.00)	(\$60.00)	\$60.00	\$0.00	\$60.00	0.00%
001.2.0003.306.0010.0000 PLANNING & ZONING	(\$8,000.00)	(\$608.00)	(\$608.00)	(\$7,392.00)	\$0.00	(\$7,392.00)	92.40%
001.2.0003.307.0010.0000 ZBA	(\$300.00)	(\$125.00)	(\$125.00)	(\$175.00)	\$0.00	(\$175.00)	58.33%
001.2.0003.308.0010.0000 WETLANDS FEES	(\$900.00)	(\$92.00)	(\$92.00)	(\$808.00)	\$0.00	(\$808.00)	89.78%
001.2.0003.309.0010.0000 DOG FUND	(\$4,500.00)	(\$4,865.50)	(\$4,865.50)	\$365.50	\$0.00	\$365.50	-8.12%
001.2.0003.309.0020.0000 ANIMAL POPULATION CONTROL FUND	(\$1,500.00)	(\$1,876.00)	(\$1,876.00)	\$376.00	\$0.00	\$376.00	-25.07%
001.2.0003.311.0010.0000 AMBULANCE SERVICES	(\$250,000.00)	(\$233,333.87)	(\$233,333.87)	(\$16,666.13)	\$0.00	(\$16,666.13)	6.67%
001.2.0003.312.0010.0000 SOIL & WATER CONSERV FUND	(\$1,400.00)	(\$232.00)	(\$232.00)	(\$1,168.00)	\$0.00	(\$1,168.00)	83.43%
001.2.0003.320.0010.0000 LIBRARY REVENUE	(\$26,000.00)	(\$25,545.07)	(\$25,545.07)	(\$454.93)	\$0.00	(\$454.93)	1.75%
001.2.0004.490.0015.0000 ST TROOPER PRIVATE DUTY REIMB	(\$3,000.00)	\$0.00	\$0.00	(\$3,000.00)	\$0.00	(\$3,000.00)	100.00%
001.2.0004.490.0016.0000 PARTY PATROL GRANT-AHM REIMB	(\$10,800.00)	(\$3,257.82)	(\$3,257.82)	(\$7,542.18)	\$0.00	(\$7,542.18)	69.84%
001.2.0004.490.0020.0000 SR CTR TRANSP FEES	(\$1,200.00)	(\$65.00)	(\$65.00)	(\$1,135.00)	\$0.00	(\$1,135.00)	94.58%
001.2.0004.490.0025.0000 PARKING TICKET FINES	(\$200.00)	(\$745.00)	(\$745.00)	\$545.00	\$0.00	\$545.00	-272.50%

Town of Hebron

General Ledger - On Demand Report

Fiscal Year: 2022-2023 From Date: 7/1/2022 To Date: 3/31/2023

Account Mask: 0012??????????????

Account Type: All

Print accounts with zero balance

Include inactive accounts

Filter Encumbrance Detail by Date Range

Print Detail

Include PreEncumbrance

Account Number / Description	Budget	Range To Date	YTD	Balance	Encumbrance	% Remaining Bud
001.2.0004.490.0040.0000 ELDERLY VAN	(\$9,500.00)	(\$18,202.00)	(\$18,202.00)	\$8,702.00	\$0.00	\$8,702.00 -91.60%
001.2.0004.490.0044.0000 ELDERLY DEMAND RESPONSE TRANS	(\$24,000.00)	(\$14,651.33)	(\$14,651.33)	(\$9,348.67)	\$0.00	(\$9,348.67) 38.95%
001.2.0004.490.0080.0000 WPCA REIMB	(\$20,000.00)	\$0.00	\$0.00	(\$20,000.00)	\$0.00	(\$20,000.00) 100.00%
001.2.0004.490.0082.0000 CELL TOWER FUND REIMB	(\$15,000.00)	\$0.00	\$0.00	(\$15,000.00)	\$0.00	(\$15,000.00) 100.00%
001.2.0004.490.0090.0000 AREA AGING GRANT	\$0.00	(\$11,771.00)	(\$11,771.00)	\$11,771.00	\$0.00	\$11,771.00 0.00%
001.2.0004.490.0091.0000 SR CTR PHYSICAL FITNESS	\$0.00	(\$3,720.00)	(\$3,720.00)	\$3,720.00	\$0.00	\$3,720.00 0.00%
001.2.0004.490.0800.0000 INTEREST ON INVESTMENTS	(\$11,000.00)	(\$165,303.03)	(\$165,303.03)	\$154,303.03	\$0.00	\$154,303.03 -1402.75%
001.2.0004.490.0801.0000 CIRMA EQUITY EARNINGS	\$0.00	(\$26,064.00)	(\$26,064.00)	\$26,064.00	\$0.00	\$26,064.00 0.00%
001.2.0004.490.0900.0000 MISC REVENUE	(\$7,500.00)	(\$5,700.66)	(\$5,700.66)	(\$1,799.34)	\$0.00	(\$1,799.34) 23.99%
001.2.0005.500.5001.0000 DEBT MGMT CONTRIB	(\$642,000.00)	\$0.00	\$0.00	(\$642,000.00)	\$0.00	(\$642,000.00) 100.00%
Fund: 001	(\$37,016,920.00)	(\$33,933,757.94)	(\$33,933,757.94)	(\$3,083,162.06)	\$0.00	(\$3,083,162.06)

Town of Hebron

General Ledger - On Demand Report

Fiscal Year: 2022-2023

From Date: 7/1/2022 To Date: 3/31/2023

Account Mask: 0012????????????

Account Type: All

Print accounts with zero balance

Include Inactive Accounts

Filter Encumbrance Detail by Date Range

Print Detail

Include PreEncumbrance

Account Number / Description

Budget Range To Date

Balance

Encumbrance

% Remaining Bud

Grand Total:

(\$37,016,920.00) (\$33,933,757.94)

YTD (\$33,933,757.94)

Balance (\$3,083,162.06)

\$0.00 (\$3,083,162.06)

End of Report

FISCAL YEAR 2021-2022

DESCRIPTION	FUND	ACCT. #	COLLECTION
Current Grand List Collections	001.2	0001-100-1000-0000	28,745,301.19
Ex-Current Grand List Collection	001.2	0001-100-1000-1000	(39,457.68)
			28,705,843.51
Back Taxes	001.2	0001-100-5000-0000	618,343.21
Ex-Back Tax Collections	001.2	0001-100-5000-1000	(12,998.40)
			605,344.81
Delinquent Interest	001.2	0001-105-1001-0000	433,920.52
Interest Refunded	001.2	0001-105-1001-1000	(91.11)
			433,829.41
Liens/Warrants/Fees	001.2	0001-110-1001-0000	2,429.75
(Liens/Warrant/Fees Refunded)	001.2	001-110-1001-1000	0.00
MV \$5.00	001.2	0001-110-1002-0000	35.00
Misc. Revenue (NSF checks)	001.2	0001.130.0100.0000	290.00
			2,754.75
TOTAL TAXES			29,747,772.48

98.5%

1,039,174.00

FISCAL YEAR 2020-2021

DESCRIPTION	FUND	ACCT. #	COLLECTION
Current Grand List Collections	001.2	0001-100-1000-0000	28,133,311.26
Ex-Current Grand List Collection	001.2	0001-100-1000-1000	(52,499.70)
			28,080,811.56
Back Taxes	001.2	0001-100-5000-0000	961,144.92
Ex-Back Tax Collections	001.2	0001-100-5000-1000	(7,679.54)
			953,465.38
Delinquent Interest	001.2	0001-105-1001-0000	531,277.47
Interest Refunded	001.2	0001-105-1001-1000	(105.93)
			531,171.54
Liens/Warrants/Fees	001.2	0001-110-1001-0000	2,253.65
(Liens/Warrant/Fees Refunded)	001.2	001-110-1001-1000	0.00
MV \$5.00	001.2	0001-110-1002-0000	120.00
Misc. Revenue (NSF checks)	001.2	0001.130.0100.0000	70.00
TOTAL TAXES			29,565,518.48

1,484,637.00

2,523,811.00

FISCAL YEAR 2019-2020

DESCRIPTION	FUND	ACCT. #	COLLECTION
Current Grand List Collections	001.2	0001-100-1000-0000	28,022,965.21
Ex-Current Grand List Collection	001.2	0001-100-1000-1000	(13,145.20)
			28,009,820.01
Back Taxes	001.2	0001-100-5000-0000	373,285.07
Ex-Back Tax Collections	001.2	0001-100-5000-1000	(2,552.20)
			370,732.87
Delinquent Interest	001.2	0001-105-1001-0000	166,203.81
Interest Refunded	001.2	0001-105-1001-1000	(41.37)
			166,162.44
Liens/Warrants/Fees	001.2	0001-110-1001-0000	379.64
MV \$5.00	001.2	0001-110-1002-0000	79.47
			459.11
TOTAL TAXES			28,547,174.43

536,895.00

Hebron, CT 06248
(860) 228-5971 x 131 (PH)
(860) 228-4859 (Fax)
egriffin@hebronct.com

From: Elaine Griffin

Sent: Tuesday, March 21, 2023 12:00 PM

To: Andy Tierney <atierney@hebronct.com>; Daniel Larson <dlarson@hebronct.com>; Gail Richmond <grichmond@hebronct.com> <grichmond@hebronct.com>; Marc Rubera <mrubera@hebronct.com>; Peter Kasper <pkasper@hebronct.com>; Tiffany Thiele <tthiele@hebronct.com> <tthiele@hebronct.com>

Subject: RE: Unassigned Fund Balance

Good morning,

Andy has requested that I reply to the inquiry below. Yes, there is currently approximately 20% in the Unassigned Fund Balance (UFB). I am still awaiting the final 2022 audit report for confirmation on this percentage and should have receipt before next Tuesday's meeting. While the Town still possesses a AAA bond rating, the criterion for this rating is much more significant than maintaining 12-15% within the Unassigned Fund Balance. The Town must also adhere to our General Fund Balance Policy which is indicative of the 12-15% UFB dollars, plus the adherence of our Debt Service Fund Policy for current as well as any possible future debt. This is why the Town was able to ascertain a 1.33% bond borrowing rate for the sewer pump station and paving project upgrades. Currently, our Debt Service Fund has a balance of \$1.8 million. Generally Accepted Accounting Principles (GAAP) as depicted by the Federal Government mandate that proper utilization of surplus unassigned fund balance dollars be done in the form of a transfer out of the general fund operating fund to the debt service management fund. This should be performed annually with approval from both boards of Selectmen and Finance, and then forwarded to the taxpayers at a Special Town Meeting for final approval. It is the intent to do so with the next scheduled special town meeting with a transference of at least \$1,000,000 to \$2,000,000 million dollars as determined by the BOF. Again, this is proper GAAP as mandated by the Federal Government and is the format the Town of Hebron follows.

Additionally, I have yet to take the \$642,000 from the debt Service Fund balance of \$1.8m for the current 2022-2023 fiscal year. The reason for the delay is due to past years of extreme back tax collection where for budgetary purposes we had an offset coming from the debt service fund balance and it was unnecessary to "take" due to the surplus of back taxes received. With this fiscal year, we are not recognizing such back tax collection as we no longer have such a large outstanding collection balance. Once we are within the final quarter, and I have a better portrayal of total tax collection, I will perform the transfer from the Debt Service Fund into the General Fund of necessary offsetting revenue dollars. My current estimation is that I may need approximately \$450,000 to offset the current fiscal year budget. That added to next year's proposed offset would bring the total withdrawal of approximately **\$1.3m** from the debt service fund of \$1.8m down to a remaining balance of \$488,000.

The Town would want to maintain a healthy unassigned fund balance as well as the debt service fund balance to retain the AAA bond rating as well as future low bond borrowing rates. This has been discussed at length with the BOF and will be of significance should the DPW facility move forward. The Town's finances are in a very healthy situation, can be utilized to offset future debt and budgetary needs, but I would caution the terminology of over taxation. Primarily as most of this fund balance surplus is due to millions of dollars in back tax collection over the last three years where taxes were delinquent for more than 15 years. Our staff has worked diligently in rectifying this problem thus resulting in the 20%.

The short answer is the Town is utilizing revenue offsetting dollars from the debt service fund balance against current and proposed budget expense dollars as depicted on the budget summary page. In summary however, projects cannot be funded directly against the unassigned fund balance dollars as mandated by GAAP. I hope this explanation provides clarity as to proper processes and adherence of Town's existing policies which are also remitted to both Standard & Poor's and Moody's when bonding and review performance of the Town's credit rating.

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